**In The United States Patent and Trademark Office
On Appeal From The Examiner To The Board
of Patent Appeals and Interferences**

In re Application of:	James I. Mahaney et al.
Serial No.:	10/774,058
Filed:	February 6, 2004
Examiner:	Samica L. Norman
Art Unit:	3693
Confirmation No.:	4821
Title:	***Method for Maximizing Retirement Income Using Financial Bridge Products and Deferred Social Security Income***

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Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Dear Sir:

Appeal Brief

Appellants have appealed to the Board of Patent Appeals and Interferences ("Board") from the decision of the Examiner electronically sent November 15, 2010, finally rejecting pending Claim 50. The Examiner electronically sent an Advisory Action on February 3, 2011 and Appellants filed a Notice of Appeal on February 14, 2011. Appellants respectfully submit this Appeal Brief with the statutory fee of $540.00.

Real Party In Interest

This application is currently owned by The Prudential Insurance Company of America as indicated by an assignment recorded on June 3, 2005, in the Assignment Records of the United States Patent and Trademark Office at Reel 016113, Frame 0296.

Related Appeals and Interferences

There are no known appeals or interferences which will directly affect or be directly affected by or have a bearing on the Board's decision regarding this appeal.

Status of Claims

Claim 50 is pending and has been rejected at least twice. In particular, Claim 50 was rejected in the Office Action sent April 13, 2010 and again in the Final Office Action sent November 15, 2010. Appellants present Claim 50 for Appeal. Appendix A shows Claim 50 involved in this appeal.

Status of Amendments

All amendments presented by the Appellants have been entered by the Examiner.

Summary of Claimed Subject Matter

Independent Claim 50, the only claim under appeal, relates to a computer-implemented financial planning application that models a variety of retirement funding approaches for a potential retiree and his/her spouse (*see, e.g.*, Fig. 1; Fig. 2; Fig. 6a; Fig. 6b; Fig. 6c; Fig 7; Fig. 8; Fig. 9; Fig. 10; 2:18-21; 3:1-15; 5:7-14; 23:10 - 24:3). Many factors may be considered when planning for retirement, such as the timing and income options associated with the social security, annuities, and other income sources. In certain instances, there may be an incentive for both spouses to defer Social Security income as long as possible. If such income is deferred, an alternative source of retirement income may be needed (*i.e.*, one or more bridge products) for the duration extending from the actual date(s) of retirement to the deferred date(s) of receipt of Social Security Benefits. The computer-implemented financial planning application simplifies this analysis by calculating a projected retirement income for the husband and the wife provided in a bridge scenario (*e.g.*, during the time period(s) spanning between each individual's respective date of retirement and date of receipt of delayed Social Security) and in an alternative funding approach, and providing an output in the form of a comparison of those two approaches. Using this output a potential retiree and his/her spouse may be able to more readily maximize retirement income by purchasing a product in accordance with the optimal scenario. (*see, e.g.*, Fig. 1; Fig. 2; Fig. 6a; Fig. 6b; Fig. 6c; Fig 7; Fig. 8; Fig. 9; Fig. Fig. 10; 2:18-21; 3:1-15; 5:7-14; 23:10 - 24:3).

Figure 6c, reproduced below, illustrates certain aspects of a retirement income plan generated by the computer-implemented financial planning application:

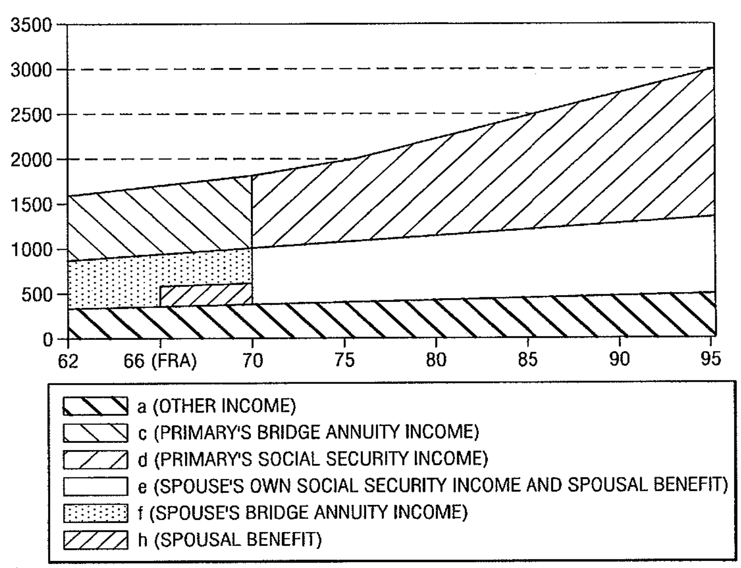

FIG. 6c

Figure 6c shows projected income streams for a married couple, wherein Social Security income for both the spouse and the primary beneficiary is deferred, and two bridge annuities are provided. Income from the primary beneficiary's bridge annuity is shown in area C, and occurs from age 62 to age 70 of the primary beneficiary. As shown in area D, when the primary beneficiary is 70 years of age, *income from the bridge products is exhausted* and deferred Social Security benefits are taken. Income from the spouse's bridge annuity is shown in area F, and occurs from age 62 to age 70 of the spouse. Area E represents both the spouse's own Social Security income (deferred until and taken at age 70), as well as spousal Social Security benefits. Other income sources are shown in area A of the graph. Area H represents spousal Social Security benefits taken off of the primary beneficiary's record, beginning at the full retirement age (*see*, *e.g.*, Fig. 6a; Fig. 6b; Fig. 6c; 5:7-14; 23:10 - 24:3).

In certain embodiments, a computer-implemented financial planning application may be capable of comparing a bridge scenario, such as the one described above, to an alternative funding approach (*see*, *e.g.*, Fig. 1; Fig 9; Fig. 10; 25:12- 26:13). Examples of alternative funding approaches include, but are not limited to, Individual Retirement Accounts (IRAs), 410(k) plans, savings accounts, and traditional Social Security benefits (*see, e.g.*, 10:4-5). In particular embodiments, those alternative funding approaches may be considered as supplemental income in the alternative scenario where Social Security Benefits may be used prior to full retirement age (Fig. 1; Fig 9; Fig. 10; 25:12- 26:13).

Appellants provide the following concise explanation of the subject matter recited in independent Claim 50, the only claim under appeal. For brevity, Appellants does not necessarily identify every portion of the specification and drawings relevant to the recited claim elements. Additionally, this explanation should not be used to limit Appellants' claim but is intended to assist the Board in considering the Appeal of this Application.

Independent Claim 50 recites:

> A non-transitory tangible computer-readable storage medium encoded with computer-readable instructions for calculating income streams for a husband and wife that, when executed by one or more computer systems, performs steps comprising (*see*, *e.g.*, Fig. 1; Fig. 2; Fig. 6a; Fig. 6b; Fig. 6c; Fig 7; Fig. 8; Fig. 9; Fig. 10; 8:18-19):
>
> receiving information about the husband, including the husband's age or birthdate (*see*, *e.g.*, Fig. 1; Fig. 2; Fig. 6a; Fig. 6b; Fig. 6c; Fig 7; Fig. 8; Fig. 9; Fig. 10; 8:20-9:9);
>
> receiving information about the wife, including the wife's age or birthdate (*see*, *e.g.*, Fig. 1; Fig. 2; Fig. 6a; Fig. 6b; Fig. 6c; Fig 7; Fig. 8; Fig. 9; Fig. 10; 8:20 - 9:9);

calculating a projected retirement income for the husband and the wife in a bridge scenario, the projected retirement income in the bridge scenario including an estimate of yearly inflation-adjusted after-tax income from:

a bridge annuity for the husband beginning at an expected retirement age for the husband and ending at a deferred Social Security age for the husband (*see*, *e.g.*, Fig. 1; Fig. 2; Fig. 6a; Fig. 6b; Fig. 6c; Fig 7; Fig. 8; Fig. 9; Fig. 10; 5:7-14; 9:11-12; 17:11-19; 21:2-4);

deferred Social Security for the husband beginning at the deferred Social Security age for the husband (*see*, *e.g.*, Fig. 1; Fig. 2; Fig. 6a; Fig. 6b; Fig. 6c; Fig 7; Fig. 8; Fig. 9; Fig. 10; 5:7-14);

a bridge annuity for the wife beginning at an expected retirement age for the wife and ending at a deferred Social Security age for the wife (*see*, *e.g.*, Fig. 1; Fig. 2; Fig. 6a; Fig. 6b; Fig. 6c; Fig 7; Fig. 8; Fig. 9; Fig. 10; 5:7-14; 9:11-12; 17:11-19; 21:2-4); and

deferred Social Security for the wife beginning at the deferred Social Security age for the wife (*see*, *e.g.*, Fig. 1; Fig. 2; Fig. 6a; Fig. 6b; Fig. 6c; Fig 7; Fig. 8; Fig. 9; Fig. 10; 5:7-14);

calculating a projected retirement income for the husband and the wife using an alternative funding approach (*see*, *e.g.*, Fig. 1; Fig. 2; Fig. 6a; Fig. 6b; Fig. 6c; Fig 7; Fig. 8; Fig. 9; Fig. 10; 10:2-15; 24:5-22); and

comparing the calculated projected retirement income for the husband and the wife in the bridge scenario to the projected retirement income for the husband and the wife using the alternative funding approach (*see*, *e.g.*, Fig. 1; Fig. 2; Fig. 6a; Fig. 6b; Fig. 6c; Fig 7; Fig. 8; Fig. 9; Fig. 10; 10:2-15; 24:5-22).

Grounds of Rejection to be Reviewed on Appeal

I. The Examiner has failed to establish *prima facie* obviousness for calculating retirement income for a husband and wife, in part, from a bridge annuity for the husband beginning at an expected retirement age for the husband and ending at a deferred Social Security age for the husband, as recited in Claim 50.

II. The Examiner has failed to establish *prima facie* obviousness for calculating retirement income for a husband and wife from two different bridge annuities, one of which is a bridge annuity for the wife beginning at an expected retirement age for the wife and ending at a deferred Social Security age for the wife, as recited in Claim 50.

III. The Examiner has failed to establish *prima facie* obviousness for comparing projected retirement income for a husband and wife in a bridge scenario to projected retirement income for the husband and the wife using an alternative funding approach, as recited in Claim 50.

For the convenience of the Board, copies of the cited references (*Fay* and *Orth*) are attached in Appendix B.

Argument

For at least the following reasons, the Examiner's rejection of Claim 50 is improper and should be reversed. Appellants expressly incorporate by reference all prior arguments made by Appellants.

I. There is no *prima facie* obviousness for calculating retirement income for a husband and wife, in part, from a bridge annuity ending at a deferred Social Security age for the husband

The rejection of Claim 50 under 35 U.S.C. § 103(a) contains clear legal and factual deficiencies because the Final Office Action fails to establish *prima facie* obviousness for each and every limitation of Claim 50. For example, the proposed *Fay-Orth* combination fails to disclose,

> "calculating a projected retirement income for the husband and the wife ***in a bridge scenario***, the projected retirement income in the bridge scenario including an estimate of yearly inflation-adjusted after-tax income from:
>
> a bridge annuity for the husband beginning at an expected retirement age for the husband and ***ending at a deferred Social Security age for the husband***;"

as recited in Claim 50. The Final Office Action at page 4 newly asserts that paragraphs 27 and 36 of *Fay* disclose "a bridge annuity for the husband beginning at an expected retirement age for the husband and ***ending at a deferred Social Security age*** for the husband." Applicants respectfully disagree. Paragraph 36 of *Fay* fails to disclose when the retirement income will end. Thus, this newly cited portion of *Fay* does not disclose, teach, or suggest a retirement annuity that ends "***at a deferred Social Security age*** for the husband," as recited in Claim 50. The Final Office Action also newly asserts that paragraph 27 of *Fay* discloses that a "user can select the defined ending age as that of a deferred Social Security age." Contrary to the Office Action assertion, however, paragraph 27 of *Fay* does not disclose "a defined ending age." Rather, paragraph 27 discloses "an annuity providing a plurality of income payments . . . for a period not less than a defined certain ***number of years***." However, merely defining a certain period of time for income payments in terms of "a number of years" does not disclose, teach, or suggest "a bridge annuity for the husband . . . ***ending at a deferred Social Security age*** for the husband." Accordingly, the newly cited portions of *Fay* fail to disclose that the retirement annuity ends "***at a deferred Social Security age for the husband***," as recited in Claim 50.

Orth fails to cure the deficiency of *Fay* regarding bridge annuities "ending at a deferred Social Security age." The cited portion of *Orth* merely discloses that spouses can postpone their Social Security benefits "because they have other retirement assets." *Final Office Action* at 3 (citing *Orth* at page 3, ¶1). However, *Orth* fails to disclose whether those "other retirement assets" include one bridge annuity that ends "***at a deferred Social Security age for the husband***," as recited in Claim 50. Indeed, there is no indication in *Orth* as to when those "other retirement assets" end, if at all. Notably, there is no explanation in the Office Action as to how the cited portion of *Orth* allegedly discloses these limitations.

II. There is no *prima facie* obviousness for calculating retirement income for a husband and wife from two different bridge annuities, one of which is a bridge annuity for the wife ending at a deferred Social Security age for the wife

In addition to the reasons above, Claim 50 is allowable at least because the proposed *Fay-Orth* combination fails to disclose "calculating a projected retirement income for the husband and the wife in a bridge scenario, the projected retirement income in the bridge scenario including an estimate of yearly inflation-adjusted after-tax income from . . . a bridge annuity for the wife beginning at an expected retirement age for the wife and ending at a deferred Social Security age for the wife," as recited in Claim 50. Indeed, nowhere do the cited references contemplate calculating projected retirement income from two different bridge annuities.

The newly cited portion of *Fay* discloses a process for providing a single retirement annuity product based on a single retirement date. *Final Office Action* at 4 (citing *Fay* at ¶16). In particular, the process in *Fay* uses two known variables, provided as inputs, to solve for a missing third variable of a three-variable equation. ¶16. The three variables are "a retirement date, a minimum retirement income amount and a defined premium payment amount." *Id.* Merely calculating retirement income to be paid as of a retirement date ***in the singular*** fails to disclose or suggest "calculating a projected retirement income for the husband and the wife ***in a bridge scenario*** including an estimate of yearly inflation-adjusted after-tax income from" ***two different*** bridge annuities, as recited in Claim 50.

III. <u>There is no *prima facie* obviousness for comparing projected retirement income for a husband and the wife in a bridge scenario to projected retirement income for the husband and the wife using an alternative funding approach</u>

In addition to the reasons above, Claim 50 is allowable at least because the proposed *Fay-Orth* combination fails to disclose "calculating a projected retirement income for the husband and the wife using an alternative funding approach." The cited portion of *Fay* merely discloses that conditional riders (*e.g.*, disability, unemployment, or early death) may be added to the same retirement annuity country being considered, which does not disclose, teach, or suggest an ***alternative funding approach***, much less "calculating a projected retirement income for the husband and the wife using an alternative funding approach." Final Office Action at 3 (citing *Fay* at ¶38, lines 8-14). Notably, the Advisory Action fails to address or even mention this deficiency of the proposed *Fay-Orth* combination. Furthermore, the proposed *Fay-Ortho* combination fails to disclose "comparing the calculated projected retirement income for the husband and the wife in the bridge scenario to the projected retirement income for the husband and the wife using the ***alternative funding approach***," as recited in Claim 50.

For at least any one of the above reasons, the proposed *Fay-Ortho* combination does not disclose, and the Examiner does not allege that the proposed *Fay-Ortho* combination discloses, each and every feature of Claim 50. Thus, the Examiner's rejection of Claim 50 is improper and should be reversed.

Conclusion

Appellants have demonstrated that the present invention, as claimed, is clearly distinguishable over the prior art cited by the Examiner. Therefore, Appellants respectfully request the Board of Patent Appeals and Interferences to reverse the final rejection of the Examiner and instruct the Examiner to issue a notice of allowance of all claims.

Please charge a fee in the amount of $670.00 to cover the filing fee for this Appeal Brief and a one month extension to Deposit Account No. 02-0384 of BAKER BOTTS L.L.P. The Commissioner is also authorized to charge any other fees or credit any overpayments to Deposit Account No. 02-0384 of BAKER BOTTS L.L.P.

Respectfully submitted,

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Appendix A: Claims on Appeal

1.-14. **(Canceled)**

15. **(Withdrawn)** The method of claim 14, further comprising allowing the spouse to receive a spousal Social Security benefit when the primary beneficiary reaches a full retirement age.

16. **(Withdrawn)** The method of claim 14, further comprising allowing the spouse to receive a spousal Social Security benefit when the spouse and the primary beneficiary reaches a full retirement age.

17. **(Withdrawn)** The method of claim 13, further comprising:

allowing the spouse to receive the spouse's own Social Security income when the spouse reaches a full retirement age;

deferring Social Security income for the primary beneficiary from when the primary beneficiary retires until a delayed receipt age;

providing income from the bridge product form when the primary beneficiary retires until the delayed receipt age; and

exhausting income from the bridge product and allowing the primary beneficiary to receive deferred Social Security income from when the primary beneficiary reaches the delayed receipt age.

18. **(Withdrawn)** The method of claim ·17, further comprising allowing the spouse to receive a spousal Social Security benefit when the primary beneficiary reaches a full retirement age.

19.-28. **(Canceled)**

15. **(Withdrawn)** The method of claim 14, further comprising allowing the spouse to receive a spousal Social Security benefit when the primary beneficiary reaches a full retirement age.

16. **(Withdrawn)** The method of claim 14, further comprising allowing the spouse to receive a spousal Social Security benefit when the spouse and the primary beneficiary reaches a full retirement age.

17. **(Withdrawn)** The method of claim 13, further comprising:

allowing the spouse to receive the spouse's own Social Security income when the spouse reaches a full retirement age;

deferring Social Security income for the primary beneficiary from when the primary beneficiary retires until a delayed receipt age;

providing income from the bridge product form when the primary beneficiary retires until the delayed receipt age; and

exhausting income from the bridge product and allowing the primary beneficiary to receive deferred Social Security income from when the primary beneficiary reaches the delayed receipt age.

18. **(Withdrawn)** The method of claim 17, further comprising allowing the

spouse to receive a spousal Social Security benefit when the primary beneficiary reaches a full retirement age.

19.-28. **(Canceled)**

29. **(Withdrawn)** A method for maximizing retirement income for a married client comprising:

providing the client with a bridge product providing income from a primary beneficiary's retirement date until a delayed Social Security receipt age;

allowing the spouse to collect the spouse's own Social Security income from when the spouse retires;

deferring Social Security income for the primary beneficiary from when the primary beneficiary retires until the delayed Social Security receipt age;

providing income from the bridge product from when the primary beneficiary retires until the delayed Social Security receipt age; and

exhausting income from the bridge product and allowing the primary beneficiary to receive deferred Social Security income when the primary beneficiary reaches the delayed Social Security receipt age.

30. **(Withdrawn)** The method of claim 29, further comprising allowing the spouse to collect a spousal Social Security benefit when the primary beneficiary reaches a full retirement age.

31. **(Withdrawn)** The method of claim 29, further comprising allowing the spouse to collect a spousal Social Security benefit when the spouse and the primary beneficiary reaches a full retirement age.

32. **(Withdrawn)** The method of claim 29, further comprising providing income from the bridge product prior to the primary beneficiary's retirement.

33. **(Withdrawn)** A method for maximizing retirement income for a married client comprising:

providing the client with a bridge product providing income from a primary beneficiary's retirement date until a delayed Social Security receipt age;

allowing the spouse to collect the spouse's own Social Security income from when the spouse reaches a full retirement age;

deferring Social Security income for the primary beneficiary from when the primary beneficiary retires until a delayed receipt age;

providing income from the bridge product from when the primary beneficiary retires until the delayed receipt age; and

exhausting income from the bridge product and allowing the primary beneficiary to receive deferred Social Security income when the primary beneficiary reaches the delayed receipt age.

34. **(Withdrawn)** The method of claim 33, further comprising allowing the spouse to receive a spousal Social Security benefit when the primary beneficiary reaches a full retirement age.

35. **(Withdrawn)** The method of claim 33, further comprising providing income from the bridge product prior to the primary beneficiary's retirement.

36.-47. **(Canceled)**

48. **(Withdrawn)** A financial planning system for calculating income streams for a married client, comprising:

one or more computer systems; and

a financial planning application embodied on a computer readable medium and operable, when executed by the one or more computer systems, to:

receive information about the married client;

calculate a projected retirement income for the married client in a bridge scenario, the projected retirement income in the bridge scenario including income from a bridge annuity beginning at an expected retirement age and ending at a deferred social security age and income from deferred Social Security beginning at the deferred social security age;

calculate a projected retirement income for the married client using an alternative funding approach; and

compare the calculated projected retirement income for the married client in the bridge scenario to the projected retirement income for the married client using the alternative funding approach.

49. **(Withdrawn)** The financial planning system of Claim 38, wherein:

the married client comprises a primary beneficiary and a spouse; and

the bridge scenario includes:

income from a primary bridge annuity beginning at an expected retirement age for the primary beneficiary and ending at a deferred Social Security age for the primary beneficiary;

income from deferred Social Security for the primary beneficiary beginning at the deferred Social Security age for the primary beneficiary;

income from a spousal bridge annuity beginning at an expected retirement age for the spouse and ending at a deferred Social Security age for the spouse; and

income from deferred Social Security for the spouse beginning at the deferred Social Security age for the spouse.

50. **(Previously Presented)** A non-transitory tangible computer-readable storage medium encoded with computer-readable instructions for calculating income streams for a husband and wife that, when executed by one or more computer systems, performs steps comprising:

receiving information about the husband, including the husband's age or birthdate;

receiving information about the wife, including the wife's age or birthdate;

calculating a projected retirement income for the husband and the wife in a bridge scenario, the projected retirement income in the bridge scenario including an estimate of yearly inflation-adjusted after-tax income from:

a bridge annuity for the husband beginning at an expected retirement age for the husband and ending at a deferred Social Security age for the husband;

deferred Social Security for the husband beginning at the deferred Social Security age for the husband;

a bridge annuity for the wife beginning at an expected retirement age for the wife and ending at a deferred Social Security age for the wife; and

deferred Social Security for the wife beginning at the deferred Social Security age for the wife;

calculating a projected retirement income for the husband and the wife using an alternative funding approach; and

comparing the calculated projected retirement income for the husband and the wife in the bridge scenario to the projected retirement income for the husband and the wife using the alternative funding approach.

Appendix B: Evidence

1. U.S. Publication No. 2002/0188540 by Fay et al. ("*Fay*")
2. "Retirement Planning for Married Couples: Distribution Differences," ("*Orth*")

The Examiner considered both of these two references and cited to them in the Final Office Action dated November 15, 2010. Similarly, the Examiner cited to these references in the Advisory Action dated February 3, 2011. Other than the references attached to this Appeal Brief, no evidence was submitted pursuant to 37 C.F.R. §§ 1.130, 1.131, or 1.132, and no other evidence was entered by the Examiner and relied upon by Appellants in the Appeal.

Appendix C: Related Proceedings

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